

The Manitoba Habitat Heritage Corporation



ANNUAL REPORT 1999/2000

Building Partnerships for Habitat Conservation

The Manitoba Habitat Heritage Corporation is a non-profit Crown Corporation established in 1986 under *The Manitoba Habitat Heritage Act*.

Its objective is to work in partnership with public and private agencies and organizations as well as individual landowners to conserve, restore, and enhance fish and wildlife habitat in Manitoba.

The Honourable Oscar Lathlin
Minister of Conservation
Legislative Building
Winnipeg, Manitoba

Dear Minister:

In its thirteenth year of operation, The Manitoba Habitat Heritage Corporation (MHHC) continues to be a leader in partnerships with landowners to conserve, restore and enhance fish and wildlife habitat. The Board of Directors is pleased to present you with this Annual Report of activities and success stories that are helping to build a healthier rural landscape and a more diverse economy in Agro-Manitoba.

North American Waterfowl Management Plan coordination in Manitoba continued as one of the prime areas of activity for the MHHC in 1999-2000. Its success is serving as the blueprint for another continent-wide program, the North American Bird Conservation Initiative, designed to restore all declining bird populations.

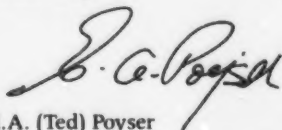
With new tools at its disposal, the MHHC is in an even better position to conserve wetland and upland habitats, particularly under the Potholes Plus Program delivered in partnership with the Delta Waterfowl Foundation. Conservation agreements are becoming the method of choice for long-term protection of habitat.

Small-scale forestry operations implemented by landowners with the assistance of the Manitoba Agro Woodlot Program are helping to diversify the rural economy, providing jobs as well as value-added products for sale both locally and in export markets. A survey conducted during the last year shows a high level of satisfaction with the technical assistance and support provided by the program and Agro Woodlot staff.

The Green Banks Program is coming into its own as landowners realize the financial benefits of managed grazing systems and off-site watering. As concern over the quality of our surface water increases, conservation assumes even greater importance.

The Corporation has again demonstrated that its unique blend of public information, technical training and program incentives is having positive impacts on the land, both in terms of wildlife and habitat protection and rural economic diversification. It is with pride and pleasure that I submit to you this Annual Report on behalf of the Board of Directors of the MHHC.

Yours truly,



E.A. (Ted) Poyser
Chairperson
The Manitoba Habitat Heritage Corporation

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Overview

MANDATE AND ROLES

The Manitoba Habitat Heritage Corporation (MHHC) was established as a Crown Corporation by the *Manitoba Habitat Heritage Act* of 1986. Its mandate "to conserve, restore and enhance fish and wildlife habitat" is achieved through cooperative, effective partnerships with private landowners, farm organizations, corporations, conservation groups and government agencies. With its primary focus on the agricultural regions of Manitoba, MHHC promotes conservation practices that not only benefit wildlife habitat, but also help to sustain farm family income and productive use of the land.

MHHC activities fall into three major program initiatives.



North American Waterfowl Management Plan

MHHC coordinates the North American Waterfowl Management Plan (NAWMP) throughout Manitoba and delivers its own NAWMP activities under the Green Acres Program and with the Delta Waterfowl Foundation through a partnership initiative called Potholes Plus.



Woodlot Management

Under the Manitoba Agro Woodlot Program, MHHC provides woodlot management and agro-forestry planning services to landowners who wish to diversify farm income and sustain or enhance woodland wildlife habitat. These activities as well as training programs are supported with core funding from the Forestry Branch of Manitoba Conservation.



Riparian Habitat Management

Under MHHC's Green Banks Program, landowners are encouraged to adopt land use practices that protect highly sensitive habitat along lakes, rivers and streams, and enhance productivity, particularly for livestock operations.

MHHC also provides management, administrative and field support to the Critical Wildlife Habitat Program and administrative services to the Manitoba Model Forest Project and the Forestry/Wildlife Management Project.

MHHC LAND ACTIVITY PORTFOLIO

MHHC owns, leases, or has cooperative agreements on parcels of land of varying sizes scattered throughout Agro-Manitoba. These lands benefit all forms of wildlife—plants, birds, animals, fish, and other aquatic animals—in a region that contains some of the most diverse, yet most vulnerable wildlife habitat found anywhere in the province.

At year end, MHHC held either directly or in trust, 93,858 acres in 1,977 parcels of land. Table 1 shows what portion of land is under title, lease, and cooperative agreements. MHHC administers over 2000 agreements with landowners, conservation agencies, and other organizations.

Table 1: MHHC Land Portfolio as of March 31, 2000

	# sites	# acres
Acquired and donated lands		
North American Waterfowl Management Plan	26	6,095
Critical Wildlife Habitat Program ¹	22	4,883
Lands held in title by MHHC	48	10,978
Conservation Agreements	12	994
Leased lands (cumulative acreage)²		
North American Waterfowl Management Plan	204	19,137
Critical Wildlife Habitat Program ¹	121	18,501
Leases held by MHHC	325	37,638
Cooperative Agreements		
North American Waterfowl Management Plan	674	8,101
Green Banks Program	61	17,205
Manitoba Agro Woodlot Program	857	18,942
Cooperative Agreements held by MHHC	1,592	44,248
MHHC portfolio to March 31, 2000	1,977	93,858

¹ Includes lands that are held by MHHC in trust on behalf of CWWP partners

² Includes both current and lapsed leases

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Board of Directors

The 1986 *Manitoba Habitat Heritage Act* establishing MHHC calls for the organization to be governed by a Board of Directors responsible to the Manitoba Minister of Conservation.

At the end of the year the MHHC Board consisted of eleven members:

E.A. (Ted) Poyser,* Chairperson	Citizen Representative
Jonathan Scarth,* Vice Chairperson	Delta Waterfowl Foundation
Garry Garrioch*	Ducks Unlimited Canada
Merlin Shoesmith*	Manitoba Conservation
Ron Bell	Association of Manitoba Municipalities
Dwayne Hamilton	Keystone Agricultural Producers
David Neave	Wildlife Habitat Canada
Pat Rakowski	Canadian Wildlife Service
Carl Shier	Citizen Representative
Robert Sopuck	Citizen Representative
Barry Todd	Manitoba Agriculture

Ex-officio Members

Lorne Colpitts	The Manitoba Habitat Heritage Corporation
Brian Gillespie	Manitoba Conservation—Wildlife Branch
Bryan Gray	Sustainable Development Coordination Unit
Deanna Knudson	Prairie Habitat Joint Venture
Gerry Luciuk	Prairie Farm Rehabilitation Administration
Larry Milian	Manitoba Wildlife Federation

*Executive Committee Member

North American Waterfowl Management Plan

In the past year, the North American Waterfowl Management Plan has again achieved significant results in the conservation and management of breeding waterfowl.

Conservation of waterfowl habitat is a priority for the Plan. The Plan has been successful in securing over 100,000 acres of habitat in the United States and Canada. This includes the acquisition of 25,000 acres in the United States and 75,000 acres in Canada.

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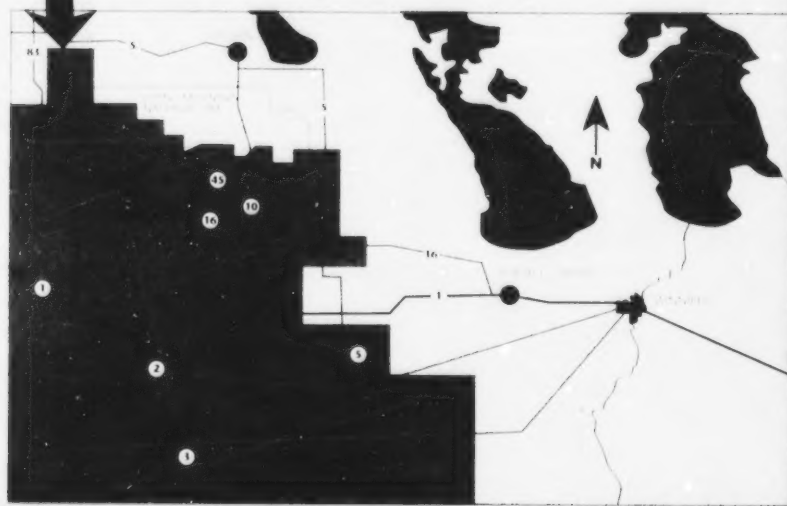


Since the signing of a formal agreement in 1986 by the governments of Canada and the United States, and later joined by Mexico, creating the NAWMP, over \$60 million has been invested in southwestern Manitoba to influence land use practices (Figure 1). Of these funds, 83% was contributed through public and private sources from outside the province. With these funds, the Plan has influenced land use practices on 611,380 acres of habitat in Manitoba, 196,604 acres through long-term securement, and 414,776 through conservation farming activities.

The success of the NAWMP is based on several factors. Its continent-wide partnership of public and private conservation agencies enables resources to be directed to areas of the continent where they are most needed. Habitats used by waterfowl in all seasons; i.e., breeding grounds, migration routes, and wintering areas, are included in conservation efforts. Key to the Plan's achievements is the cooperation of hundreds of private landowners who have responded to the Plan's approach of initiating conservation options that provide landowners with the potential breeding ground and nesting habitat for up to half of the duck population.



Figure 1
NAWMP priority
regions and target
area in Manitoba.

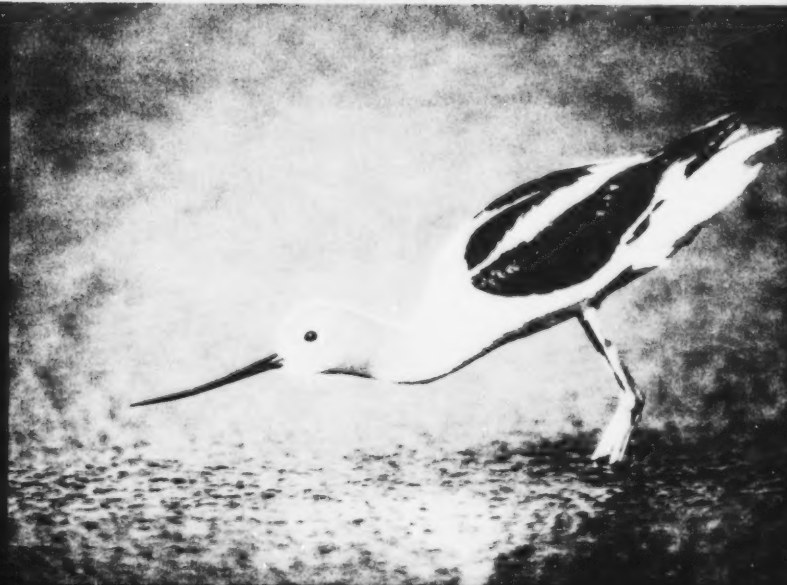


NABCI-NAWMP: Alphabet Soup or the future of Bird Conservation?

If the North American Waterfowl Management Plan is such a success story, how do you make it bigger and better?

With the evident success of the NAWMP approach in mind, bird conservation interests across the continent are planning for NABCI — the North American Bird Conservation Initiative. The goal is nothing less than workable, cooperative, continental approaches to the conservation of all birds.

NAWMP has shown that restoring this continent's waterfowl requires planning, joint ventures and partnerships that begin at the continental level, but eventually play out in meaningful ways at the grassroots level. Success has been built on a solid foundation of biological knowledge that helps set habitat conservation objectives and the means to evaluate progress.



American Avocet

Can NABCI ensure that the conservation of all birds — waterfowl, shorebirds, seabirds and landbirds — is embraced and coordinated in continental partnerships that attract new levels of support for habitat conservation? MHHHC is working with provincial, regional, national and international partners to help ensure that NABCI comes to fruition as an exciting, positive force for conservation.



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DOUBLE AFIN D'AMÉLIORER LA QUALITÉ DE
REPRODUCTION**

**LES UTILISATEURS DOIVENT CONSULTER TOUTES
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D'OBTENIR LA LECTURE DU TEXTE INTÉGRAL**

The "prairie pothole" region of the southwest has been designated as a key landscape for conservation activities in Manitoba.

Partners with MHHC in the NAWMP in Manitoba include Agriculture Canada (Prairie Farm Rehabilitation Administration), Ducks Unlimited Canada, Environment Canada (Canadian Wildlife Service), Manitoba Agriculture, Manitoba Conservation, Delta Waterfowl Foundation and Wildlife Habitat Canada. The continuing success of the Plan in Manitoba depends on the people at the farm level, individual landowners, local farmer groups, farm commodity groups, Conservation Districts, wildlife associations, and rural municipalities.

A MANITOBA NAWMP OVERVIEW

During 1999/00, conservation agreements, under which land is protected, yet stays in private ownership, played a lead role in land conservation arrangements. Over the year, Plan partners secured 4,282 new acres of wildlife habitat bringing the total secured lands in Manitoba to 196,604 acres. An additional 47,464 acres farmed using conservation methods brought the total acreage of conservation demonstrations supported by the Plan to 414,776 acres. In Manitoba, the total land area affected by the Plan has now climbed to 611,380 acres.

The range of habitat types influenced by the NAWMP in Manitoba includes:

- wetlands, both temporary and permanent, ranging from 0.1 to 10,000 acres in size
- wetlands, previously drained, that have been restored
- new wetlands created to mitigate for drained wetlands
- native upland habitats such as grasslands, shrublands and aspen parklands
- cultivated marginal lands restored as grasslands
- rangelands improved for both livestock and wildlife through managed grazing and livestock watering practices
- haylands managed as productive wildlife habitat
- conventionally tilled fields converted to zero-tillage and winter cereal croplands

While these acres provide important habitat for waterfowl breeding areas, they also support a wide diversity of other bird species as well as mammals, reptiles and amphibians.

MHHC coordinates NAWMP activities and also conducts field delivery, communication, evaluation and planning activities within the Plan. In 1999/00, funding from two major sources supported these activities:

- Manitoba Conservation
- Environment Canada (Canadian Wildlife Service)

Financial and in-kind support were also received from a number of other partners.

Table 2: NAWMP Program Accomplishments Summary (in acres)

	Green Acres	Prairie CARE	Potholes Plus	HELP*	NAWMP Total
Secured 1999/00	1,587	1,522	1,173		4,282
Before 1999/00	32,500	142,318	6,669	10,835	192,322
Total Secured	34,087	143,840	7,842	10,835	196,604
Agricultural Demonstrations 1999/00		47,464			47,464
Before 1999/00	20,580	343,205	3,527		367,312
Total Demonstrations	20,580	390,669	3,527		414,776
Program Totals	54,667	534,509	11,369	10,835	611,380

* Habitat Enhancement Land Use Project



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	Secured Lands	Private Land	Productive Land	Wetland	Conservation Area
Secured 1999/00	4,282	1,301	1,134	1,280	4,282
Secured 1998/99	10,000	14,000	5,000	10,000	10,000
Total Secured	14,282	15,301	6,134	11,280	14,282
Conservation Demonstrations 1999/00		47,464			47,464
Conservation Demonstrations 1998/99		40,000	5,000		45,000
Total Conservation Demonstrations		87,464	5,000		92,464
Total Land Area Affected	14,282	153,765	11,134	11,280	142,746





Table 2: MHHC's Financial Contributions

Agency	1999 to March 31, 2000	Percentage
Canadian Sources	\$10,143,300	10.0
Other Canadian Sources		
Canadian Wildlife Service	\$6,738,100	11.2
Wildlife Habitat Canada	885,300	1.5
Ducks Unlimited Canada	2,545,000	4.2
Total Other Canadian Sources	\$10,168,400	10.0
Total Canadian Sources	\$20,311,700	53.7
US Sources		
Delta Waterfowl Foundation	\$1,991,600	3.3
Ducks Unlimited, Inc.	14,499,700	24.0
US Fish and Wildlife Service	17,716,600	29.4
US States	5,776,100	9.6
Total US Sources	\$39,984,000	66.3
Total Expenditures	\$60,295,700	100.0

Green Acres Program

Landowners have a number of different options from which to choose under MHHC's Green Acres Program, including land lease, purchase and donation, conservation agreements, and other land management activities. The Green Acres portfolio of leased, purchased and donated lands totalled 34,087 in 1999/00; an additional 20,580 acres have been influenced by conservation farming demonstration activities.

Conservation Agreements: In 1999/00, MHHC concentrated its efforts on securing perpetual conservation agreements with private landowners. The *Conservation Agreements Act*, proclaimed in 1998, made available this new and very flexible conservation option for the voluntary protection of natural areas on private land. Similar to an easement, the conservation agreement is placed on the title of the property. Even if the land changes hands, the terms of the agreement remain in effect. With a conservation agreement, the landowner continues to own the land and farm as before, but the natural values of the

land are protected. Over the last year, 3 agreements were donated by private landowners totalling 228 acres.

The Potholes Plus Program, delivered jointly with the Delta Waterfowl Foundation, uses conservation agreements for protection of wetland and upland habitats. Under this program, nine conservation agreements were purchased protecting 766 acres, bringing the total number of conservation agreements to 12, totalling 994 acres.

Lease and Purchase: As conservation agreements move to the forefront as the major habitat protection tool used by the MHHC, no new land parcels were leased in 1999/00. The total acres of wetland and upland habitat already leased by the MHHC remained at 19,137, spread over 204 parcels of land. MHHC continues to pay \$7.00 per acre per year for the uplands which range from native grasslands to woodlands. Lease agreements run for five to ten years.

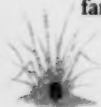


Table 3: NAWMP Financial Contributions

Agency	1986 to March 31, 2000	Percentage
Manitoba Sources	\$10,143,300	16.8
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MHHC Makes First Conservation Agreement Purchase

MHHC and its Potholes Plus partner, Delta Waterfowl Foundation, purchased a conservation agreement in 1999 from Rick and Linda Nysten, who farm south of Minnedosa. Although not the first Conservation Agreement signed in Manitoba, it is the first for which a landowner has received compensation.

Under the terms of the agreement, the Nystens will continue to use the 80-acre parcel, but its natural values will be protected. Rick plans to continue grazing his cattle on the land using a twice-over grazing system. The conservation agreement is like an easement and stays with the land even when it changes ownership. "I get to do what I want with my land, but I get an agreement for the habitat conservation," said Rick. "The resale value may be less because of it, but I've captured that because of the monetary reward I received for it already."



"There's lots of wildlife here," added Nysten. The habitat secured under the agreement provides upland nesting cover and wetlands for ducks and other kinds of birds. Raccoons, coyotes, foxes, badgers, and hawks also frequent the property.

"It's a great way to get along," said Nysten. "It keeps the agricultural people happy as well as the conservation people."

Two new land purchases totalling 940 acres made under the Critical Wildlife Habitat Program were transferred to the MHHC in 1999/00. MHHC now owns 18 properties of 4,262 acres of land that are maintained as wildlife habitat.

Donated Lands: One new property of 300 acres was donated to MHHC in 1999/00 bringing the total of donated lands to 1,833 acres.

Land Management: The wildlife habitat on 17 parcels of MHHC lands, or 4,400 acres, benefited from a variety of management activities including:

- weed and shrub control on 328 acres of grassland
- managed grazing on 7 sites encompassing 1,570 acres
- managed burns on 3 sites totalling 90 acres
- 965 acres in 18 hay leases
- maintenance of one mile of shelterbelt

Waterfowl Nest Tunnel Program: With 40 new tunnels erected in the past year, MHHC now maintains, through landowner agreements, 1,798 waterfowl nesting tunnels in wetlands spread across southwestern Manitoba. In addition to supporting duck production, the 7,171 acres of wetlands secured also support over 100 other wildlife species.

Flatland Dams: Flatland dams were constructed in cooperation with 49 landowners, Prairie Farm Rehabilitation Administration (PFRA) and Delta Waterfowl Foundation. MHHC continued to maintain its existing 55 small dam projects in southwestern Manitoba which create 268 acres of wetland habitat and store 1,100 acre-feet of fresh water. They help to even out the flow of water, storing surface run-off during low water years and reducing the effects of flooding in high water years by storing water in the headwater and upstream areas.



A Contribution to Conservation

Sexton's Island, a well known landmark on Whitewater Lake, is now permanently protected as a wildlife habitat thanks to the overwhelming generosity of Stuart and Hilda Sexton.

The Island has been in the Sexton family since 1887. Cattle were herded across each spring for seasonal grazing. In dry years cattle grazed the entire 220 acres and in wet times the island shrunk sometimes leaving as little as 45 acres above water.

"The island has remained in a near-natural state and is an extremely valuable wildlife habitat for birds, mammals, reptiles and amphibians," says Lorne Colpitts, chief executive officer of MHHC. "It has the potential to support 240 species of birds during nesting and migration."

In the eyes of this one farm family the habitat was seen as a valuable resource for wildlife and human enjoyment rather than as a nuisance and wasteland. The Sexton's decision to give farmland back to nature reminds us all of the important role that private landowners play in conservation. They have made a major contribution to habitat conservation in Southwestern Manitoba.

EDITORIAL IN THE BOISSEVAIN RECORDER, AUGUST 18, 1999.



Fencing in a Three-Way Partnership

Needing a reliable source of clean drinking water for his cattle, Killarney rancher Eayrton Hall came up with the idea of constructing a small earthen dam on a tributary of the Long River that feeds into Killarney Lake. Because the dam would backflood property owned by the MHHC, he approached the Corporation to partner with him in the project. Coincidentally, MHHC needed a proper water source for one of its rotational grazing system paddocks so they quickly agreed on a plan.

With its landowner assistance program, Turtle Mountain Conservation District (TMCD) entered as a third partner, and together they built a dam using material from the creek bottom, fenced off the riparian zone alongside the streambank to keep the cattle out of the water, installed a windmill-powered off-site water system that is accessible from both sides of the fence, and implemented a rotational grazing system. The clean water source, accessible from both sides of the fence, will help to increase cattle weight gains, and reduce veterinary costs, as well as benefit the environment. "It will slow the flow of spring runoff that, in turn, causes the water to drop much of its sediments and nutrient load before it reaches Killarney Lake," said Mark Dettman of the TMCD.

"It's not too often that you see cattle on both sides of the fence sharing the same watering system," commented Al Bourrier, MHHC Killarney field representative. "Normally fences divide two neighbours, but here the fence is just the start of the relationship."

Special NAWMP Partnership Projects

Conservation Agreements Working Group: MHHC chairs the Manitoba Conservation Agreements Working Group whose membership includes Ducks Unlimited, the Nature Conservancy, Delta Waterfowl Foundation, Association of Manitoba Municipalities, and Environment Canada. The Working Group deals with issues arising from the implementation of conservation agreements.

MHHC also coordinates the communication strategy to inform Manitobans throughout the province about this new way of protecting habitat. In 1999/00, MHHC applied significant efforts to increase the use of conservation agreements in Manitoba. Presentations were made to twenty municipalities and a one-day workshop was developed for conservation agency personnel on the purpose and use of conservation agreements. The workshop was delivered three times with a total of 150 people attending.

Grazing Initiatives: MHHC continued to work with the Manitoba Cattle Producers Association (MCPA) to promote sustainable grazing systems management on native range. In 1999/00, activities included a two-day grazing workshop, seminars for producers, displays and many presentations to cattle producer groups.

Partners in Flight-Manitoba: Partners in Flight is an international initiative that seeks to create awareness of the reduction in population of migratory songbirds and birds of prey in North America. Habitat loss is a major factor contributing to reductions, and the NAWMP provides a model for conservation of these "landbirds." As a funding partner and member of the working groups for Manitoba and the Canadian prairie region, MHHC assisted in the development and initial implementation of the Partners in Flight conservation plan.

2001 Prairie Conservation and Endangered Species

Conference: This conference is an international gathering of landowners and conservation specialists interested in conservation and land sustainability issues across

the Northern Great Plains of Canada and the United States. MHHC is the banker and an active member of the Steering Committee responsible for planning the conference, scheduled to take place in Winnipeg in February 2001.

NAWMP Communications and Marketing Initiatives

MHHC communication and marketing activities for the NAWMP included direct and mass media promotions and a number of special projects.

Direct communications: MHHC staff communicated directly with hundreds of landowners and landscape managers throughout the year and participated in 217 meetings with local, provincial, national and international producer and rural conservation interest groups.

Local Liaison Committee meetings are organized once per year in each field office area so that local producers and community representatives can provide feedback directly to MHHC. A total of four meetings were organized in 1999/00.

Twenty-five NAWMP displays and presentations were conducted, primarily in rural locations. Aimed at an agricultural audience, a major theme of the presentations was grazing management systems.

Six field tours of Plan projects were organized for local, regional and national participants. Field tours are the best opportunity to provide first-hand experience and close-up views of what is being accomplished under the NAWMP.

Mass media: MHHC distributed 16 articles profiling Plan projects, highlighting conservation agreements, Habitat Stewardship Award recipients, and land donations by several families. Two radio interviews dealing with conservation agreements rounded out the coverage. These articles proved popular with the various media, particularly the rural and agricultural media, and were widely circulated throughout the target area of southwestern Manitoba.



Special projects: MHHC took a lead role in communicating about conservation agreements. A display, brochure and a technical manual were developed and produced, and three workshops held for conservation agency personnel. These activities were supplemented by a number of news articles and media interviews.

The Sexton Island Dedication Ceremony was a major event in which the MHHC partnered with the Nature Conservancy of Canada. The donation of the island and dedication ceremony received extensive media coverage.

The North American Wetlands Conservation Council (Canada) and other NAWMP decision makers met in Winnipeg in September 1999. The MHHC took this opportunity to organize a field tour of Manitoba NAWMP projects for these Canadian leaders in the NAWMP.

During Ag Days 2000 held in Brandon in January of this year, cattle producers attended a seminar entitled "Get the Most From Your Pasture," organized by MHHC and co-sponsored by the Manitoba Cattle Producers Association.

Cattle Producers Stock Up on Information

How to "Get the Most From Your Pasture" was the topic of conservation at a seminar co-sponsored by the Manitoba Cattle Producers Association (MCPA) and MHHC at Ag Days 2000 held in Brandon in January of this year. The MCPA co-sponsored the seminar "to encourage our producers to take advantage of information that will improve their pastures and their pasture's bottom line," said Wanda McFayden, Executive Director of the association.

Producers learned about the importance of water quality for maximizing cattle gains, and how to rebuild their prairie soils through grazing management. MHHC advocates managed grazing systems because they maintain good quality forage throughout the grazing season, benefiting both cattle and wildlife. "Well-managed grazing on native pasture produces more wildlife than many



other forms of agricultural activity," said Al Bourrier, MHHC field representative in Killarney. "It can even be more productive than idle native habitat."

MHHC views partnerships like this one with the MCPA as a good way of doing business because everyone comes out a winner. Producers get the benefit of improved management of their operations and the natural values of native range are protected.



Red-necked Grebe

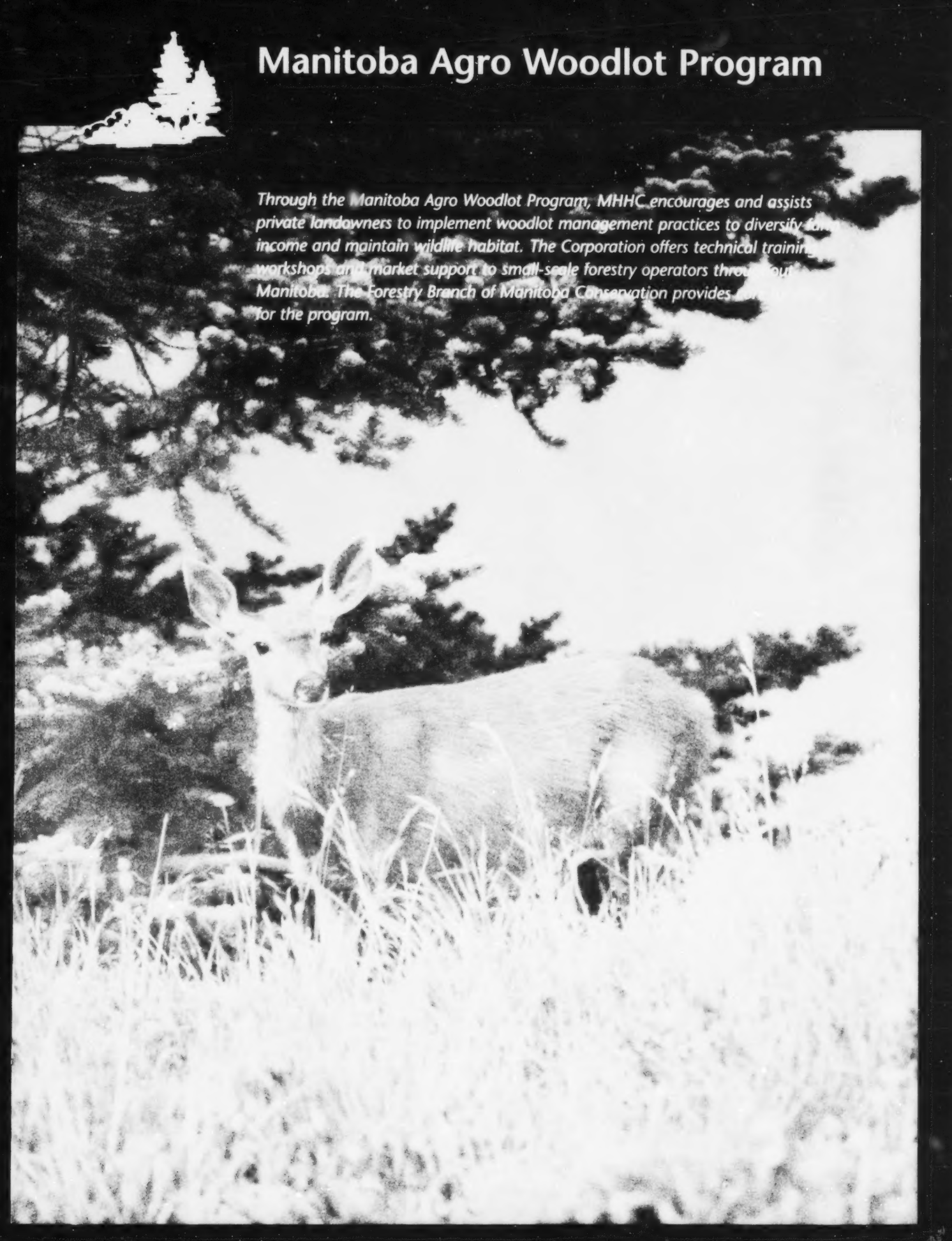
NAWMP PARTNER ACTIVITIES

Manitoba Prairie CARE: This program, administered by Ducks Unlimited, offers lease, purchase and sustainable farming options to producers in the NAWMP target area. Under this program, 1,522 acres were secured in 1999/00 with an additional 47,464 acres influenced by conservation farming techniques such as zero tillage, forages in crop rotations, and fall-seeded crops which provide good cover in the spring for ground nesting birds (Table 2).

Potholes Plus: MHHC joined forces in 1998 with the Delta Waterfowl Foundation to expand delivery of habitat conservation options to

landowners in the prairie pothole region of Manitoba under what was then the Adopt-a-Pothole banner. Private donations support the acquisition of conservation agreements for protection of small wetlands, many of which were candidates for drainage. In 1999/00, 1,173 acres consisting of wetlands and surrounding upland habitat were secured for wildlife.

Heritage Marsh Program: The Province of Manitoba continues to operate the Heritage Marsh Program, under which regionally significant wetlands are identified, secured and enhanced. The program brings together various conservation partners from public and non-government agencies.



Manitoba Agro Woodlot Program

Through the Manitoba Agro Woodlot Program, MHHC encourages and assists private landowners to implement woodlot management practices to diversify income and maintain wildlife habitat. The Corporation offers technical training, workshops and market support to small-scale forestry operators throughout Manitoba. The Forestry Branch of Manitoba Conservation provides funding for the program.

INTRODUCTION

In the last few years, farm woodlots have begun to play a bigger role in farm management. Instead of clearing the land, many landowners have taken to "farming the bush" in a sustainable way, diversifying their income and, at the same time, maintaining wildlife habitat. MHHC Agro Woodlot Program (MAWP) staff, operating from offices in Brandon, Melita, Killarney and Minnedosa, have provided woodlot assessment services, management plan development, tree-planting support and skills training to numerous landowners to help them develop a sustainable, income-generating woodland harvest.

WOODLOT MANAGEMENT

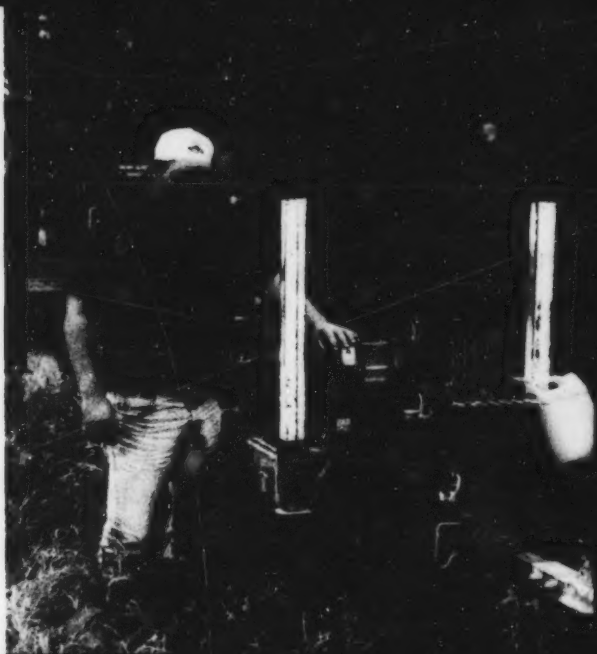
With the assistance of the MAWP staff, 21 landowners prepared site-specific management plans affecting 2,531 acres of wooded lands bringing the total number of plans developed since 1993 to 134 covering 18,461 acres. An additional 15 management plans are in progress and 41 landowners are on the waiting list. Through the planning process, landowners develop the knowledge and skills to implement forest harvest and renewal practices to generate income while maintaining diverse forested areas for wildlife habitat.

The increase in number of managed woodlots in Manitoba has resulted in an increase in primary processing of trees into lumber and value-added processing into finished products, an important long-term goal for the Woodlot Program. Everything from decks to handrails and fine furniture has been produced from Manitoba's homegrown trees.

TREE PLANTING

In 1999/00, 107 planting projects of 56,241 trees were organized by MAWP staff, bringing its eight year total to 696 projects and 966,341 trees. The spring of 2000 will see MAWP reach a milestone of planting one million trees. Bio-engineering projects, alley-cropping, livestock plantings, and community beautification projects are all included in MAWP activities.

Fabric mulch is used to increase tree survival and growth and to reduce the need for long-term mechanical maintenance and herbicide use. In 1999/00, MAWP installed 11.5 miles of fabric or plastic mulch to help establish three seabuckthorn plantations and hog barn snow management systems.



Woodlot Managers Saw Off Profits

"I had lots of work I wanted to do on the farm and there was no way I could spend the money to buy the lumber I needed for my own use," said Glenn Howell from his farm near Sandy Lake. Knowing that he wasn't alone, he invested in a portable bandsaw mill and, four years later, he mills his own lumber, and has built a steady business milling lumber for customers throughout the area. He is able to turn a profit while providing lumber at reasonable cost for his customers. For example, last spring, Howell sawed a number of 14-foot studs for a neighbour's shop for about half the cost of purchasing from a lumber yard.

Howell manages his own woodlot for lumber production and custom mills logs for others. He has learned a lot since his first year when he operated by trial and error. "Lots of time, I wished there was a course," said Howell. That was before he received a call from Diana McGhee, a woodlot technician with MHHC, informing him of a workshop for Manitoba sawyers. They brought their mills to the workshop for expert training and advice. "Pretty well everything they showed me, I've used since," Howell said.

Assistance is also available for woodlot management plans. MAWP staff assist landowners to assess their stands, determine the volume of trees, and implement a plan to sustain the wood lot. This managed approach maintains the forest for owner enjoyment and wildlife use, yet puts profits into the owners' pockets and wood to good use.

Agro-Forestry Projects

Agro-forestry projects are those that integrate trees into agricultural production systems. In 1999/00, 33 new projects were created under the MAWP.

Silvopasture and living barns: Silvopasture systems are multi-row tree plantings designed with livestock production in mind. During weather extremes, trees reduce heat and cold stress on livestock resulting in healthier herds with higher weight gains. If fenced and tended carefully, these tree stands may eventually provide a source of merchantable timber. Thirteen silvopasture projects were completed in 1999/00.

Bio-engineering: Traditionally, rip rap has been used to stabilize degraded riverbanks and reduce flood-related impacts. Bio-engineering is a lower cost option that uses willow post, or other hardwood, cuttings planted

directly into the stream bank, or in conjunction with rip rap, to stabilize the ground. In 1999/00, 13 projects were completed and planning began on two potential sites in the City of Winnipeg—Youville and Bunns Creeks.

Alley-cropping: Seven alley-cropping systems were established in 1999/00. Rows of fast-growing trees, such as hybrid poplar, are planted leaving space between for growing crops. The trees minimize wind erosion and create a more moderate micro-climate which helps to increase crop yields. These rows of trees also create wildlife habitat and, eventually, provide wood harvesting opportunities for the landowner.

Snow management: Tree plantings are used to reduce snow removal requirements. Three hog barn snow management systems were completed in 1999/00.

AGRO FORESTRY PROJECTS 1999/00

Livestock	Bio-Engineering	Alley-Cropping	Other Projects	Community	TOTAL PROJECTS	TOTAL TREES PLANTED
Includes silvopasture, living barns, etc.	Includes willow post plantings, snow management, etc.	Includes alley-cropping and silvocycling	Includes wildlife corridors, block plantations and forest renewal			
13	13	7	49	25	107	56,241

Woodlot Program Helps Move Small-Scale Forestry Up-Scale

"In hindsight, I doubt that I could have made it without the assistance that I got from the program." That was one of many positive responses to a survey of small-scale forestry operators that have been assisted by Manitoba Agro-Woodlot Program skills training and market development initiatives. In fact, 97% of those surveyed said they would recommend the MAWP services to people just starting into the woodlot industry.

Ninety-seven percent of woodlot operators who have used the services of the Woodlot Program, including information on equipment, management planning, harvest planning, and workshop training, gave them a positive rating. Of the survey respondents, 34% made the decision to get involved with the industry because of information received from the Program, and 66% receive ongoing support from Woodlot Staff.

Small-scale forestry is having a direct impact on farm income — 15% work at the business either full or part time and 15% earn a majority of their income from the business. In fact, one operator said his saw mill has made his farm profitable while another

said he plans to build it into a substantial part of his income.

With 84% saying their business is either stable or expanding, small-scale forestry is here to stay in Manitoba. This is good news for wildlife as woodlot operators increase their use of wildlife-friendly activities including selective logging (used by 97% of respondents), leaving buffers (15%) and cavity trees for nesting (31%).



Woodlot Program a Big Influence on Land Management

"We know how to better manage the land," said one of the participants in a survey of woodlot owners conducted by the MAWP to determine the impact of its services. Sixty-three percent of survey respondents said MAWP has influenced their land management in ways ranging from using selective harvesting, to improving long term sustainability, to increasing their knowledge of aspen forest management to making use of property that was otherwise unproductive. Ninety-three percent are happy with the services provided by the MAWP which include woodlot inventory and management planning, harvest planning, training workshops and follow-up support. Seventy-four percent of respondents received assistance in preparing a management plan and 47% had help with tree marking, trail layout and other harvest planning activities.

Of those surveyed, 55% got involved with the program to explore income options and so far, the results are positive with 70% saying the assistance received will have a positive effect on their finances. One said "woodlot management could make a vast economic contribution to farmers in rural Manitoba," and said another, "If any local markets exist, the woodlot could become an income advantage instead of a liability to be bulldozed and burnt." With these results, 90% say they plan to continue managing their woodlot and the same percentage would recommend the MAWP to their friends and neighbours.

Good news for wildlife and the rural economy!



Trees Hog the Spotlight

The Johnson hog farm near Ninga, Manitoba, is the site of a pilot project to study the use of trees and crops to help manage nutrient levels in the soil, especially when hog manure is used as fertilizer. Kevin Teneycke, MAWP field representative, says the combination of trees and crops creates a two-tiered root zone that absorbs the nitrates in the soil.

Byron Johnson has begun to realize other benefits of the hybrid poplar trees planted in his alfalfa fields and around his four 2000-head feeder barns. The shelterbelts help with snow and wind control and have even had a positive impact on hog behaviour because of the reduced noise. Teneycke says "The shelterbelt system around the barn is designed to shelter the barn....to help manage the snow so maintenance and snow removal costs are going to be lower. They are designed to protect the building from the wind so it reduces energy costs to heat the barns."

Because of the positive impact on soil and groundwater, Johnson has now begun to use rows of trees in his alfalfa fields. "We focused on hybrid poplar because they are fast growing," said



Teneycke. "They have the potential to use up nitrogen quite rapidly." This silva-cycling project was designed to demonstrate and evaluate how the combination of trees and crop not only improve soil and groundwater by taking up nutrients, but produce more plant material. Studies have shown that shelterbelts can result in higher crop yields. The trees trap more snow to retain soil moisture and create shade which reduces evaporation. This is one of only three silva-cycling sites on the continent.

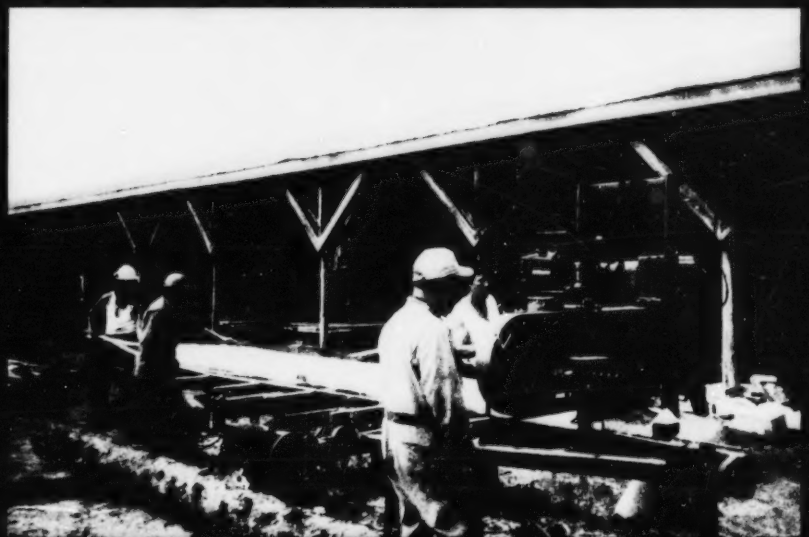
A Pleasant Surprise for Swan Lake First Nations

When the Swan Lake First Nations purchased 10,000 acres of pastureland and bush in 1996 for conversion into an elk ranching operation, they had no idea of the full potential of the property. With most of the acreage covered by trees and shrubs, they asked the Manitoba Agro Woodlot Program to do a woodlot assessment and inventory. A pleasant surprise was in store for them. In addition to the elk ranching operation, they learned that the acreage would also support a small-scale forestry operation.

Subsequently, Woodlot Technicians, Kevin Teneycke from Melita, and Scott Davis from Killarney, examined the woodlot and marked the appropriate trees for cutting. The MAWP provided chainsaw training and organized instruction on band mill operation. Advice and guidance was also provided on accessing funding from Natural Resources Canada—First Nations Forestry Program.

The mill has since operated as a stand-alone business enterprise, producing lumber for construction of buildings for the Band. The operation has been so successful that it was featured on the Inter-Provincial Agro-Forestry meeting tour in the fall of 1999. "Swan Lake First Nations has come a long way towards sustainable woodlot management and adding a micro-forestry component to their farming operation," said Teneycke.

In the spring of 2000, Davis accompanied the children from Swan Lake First Nations school in a tree planting day, helping to teach the next generation of woodlot managers.



Other Planting Projects

Field plantings: In 1999/00, 49 projects were established including wildlife corridors, block plantations and forest renewal plantings.

Community plantings: As they have in past years, MAWP staff assisted several communities in rural Manitoba with their tree planting projects. In 1999/00, support was provided to 25 community projects resulting in 12,428 trees planted, bringing the total community projects, since community outreach activities began in 1993, to 109.

TRAINING PROGRAMS

The MAWP delivered skills based training workshops with funding support from the Canada Agri-Infrastructure Program. The goal of the workshops is to increase efficiency and profitability of woodland forestry operations, while emphasizing the need for ethics and land stewardship.

Micro-Forestry Business Development: Dave's Tree Planting Service is one of the 20 small businesses that received training and technical support from MAWP staff in 1999/00. Training is a key element in developing Manitoba's micro-forestry industry as is evident in the exceptional progress over the last year in the use of woodlot produced lumber in finished products like furniture. MAWP staff continue to act as the link between woodlot managers and value added producers, organizing such activities as the Lumber Auction held in April 2000.

Felling for Profit: This chainsaw workshop focuses on equipment maintenance, worker safety and felling methods that maximize log market value. Three, one-day sessions and one half-day session were presented with 112 participants attending. One workshop was presented at the First Nations Forestry Conference and one in conjunction with the Read the Stream workshop.

Read the Stream: This three-day workshop, organized in partnership with the Pembina Valley Conservation District, was the first in a series of two major bio-engineering workshops aimed at assisting field practitioners to assess stream forces and other factors to enable them to develop comprehensive remediation strategies. A training team from the United States Army Corps of Engineers and the National Resource Conservation Service delivered the workshop to 75 participants including consulting engineers and representatives from federal and provincial fisheries departments, highways, the forest industry, and conservation districts.

Other workshops delivered in the last year included a two-day Hardwood Lumber Grading workshop with 15 participants and a one-day Circular Sawmill Use and Maintenance Program workshop with 40 participants. In addition, three individuals attended Furniture Design 2000, a furniture design show in Brandon, to gain insight on the design process. This brought the total number of training days over the past year

to 303, spread over seven workshops and involving 245 participants. Since the inception of the program in 1993, 1,182 people have participated in 75 workshops.

COMMUNICATIONS

Direct Communications: In 1999/00, Woodlot Program staff responded to approximately 900 enquiries from woodlot owners and harvesters on topics ranging from harvesting, to pest and weed control, to equipment, and plant stock. Approximately 1,200 additional contacts were made with partners and agencies including Conservation Districts, nurseries, markets and the media. A total of 675 information packages were mailed.

Staff attended 54 meetings with program partners and target audience members. The Manitoba Agro Woodlot Program display was featured at 20 events in rural Manitoba including Ag Days and the Royal Winter Fair in Brandon. In addition, staff conducted seven tours of Woodlot Program projects in southwestern Manitoba.

Mass Media: Seven articles written by program staff were published during the year in various print media covering topics such as cattle shade and shelter, producing furniture from Manitoba trees, woodlot management and notification of workshops. An additional 30 articles originated with the media.

From Woodlot to Auction Block

The display of beautifully crafted furniture made from Manitoba grown bur oak, birch, black and green ash were the highlight of Manitoba's first agro woodlot lumber auction. MHHC staff graded 10,000 board feet of woodlot lumber suitable for furniture making, woodcrafting and carving. The auction, which was attended by over 350 people from across Manitoba, was held at Oak Bluff on the outskirts of Winnipeg.

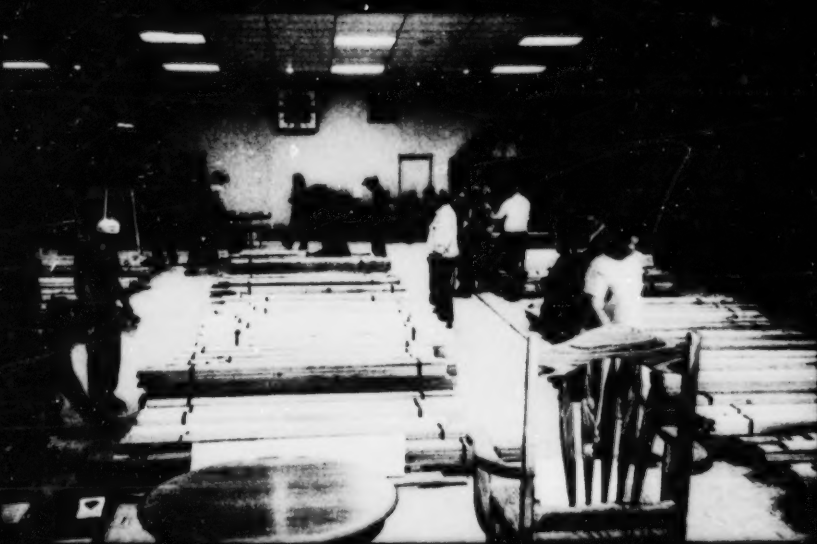
The lumber auction coincided with Earth Day - intentionally. "We wanted to show Winnipeggers that landowners and micro-forestry operators were producing furniture and quality lumber while enhancing wooded wildlife habitat on private lands," said Shane Tornblom, MAWP field manager. "Now that we have good quality, locally produced, kiln-dried hardwood lumber, we'd like to broaden the market by having made-in-Manitoba finished products," he added.



Photo by Shane Tornblom, MAWP field manager.

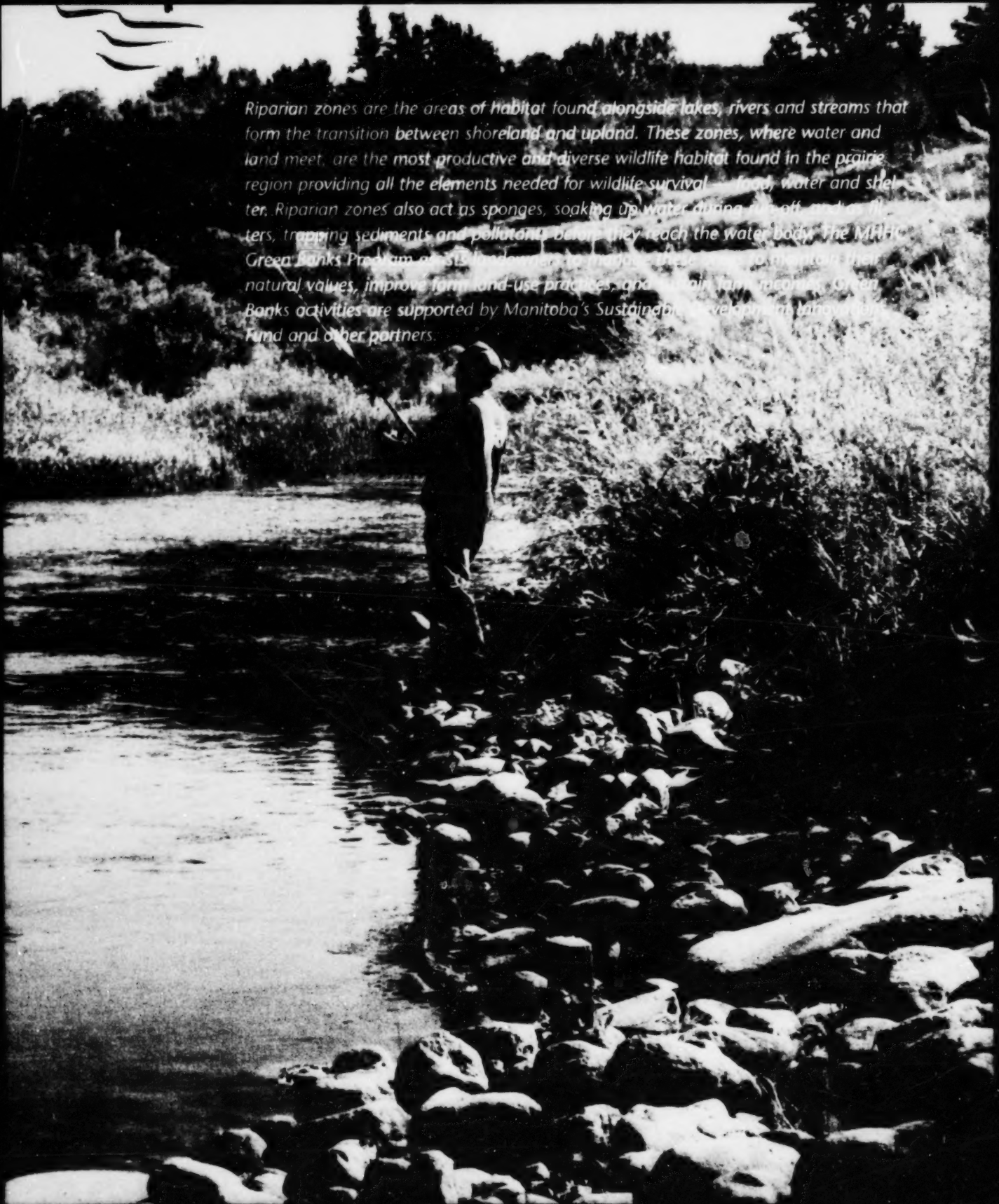
Wes Enns from Winkler, purchased 25 board feet of kiln-dried black ash lumber consigned by Clint Nicolajsen, a kiln owner from Carman, to make coffee tables and small cabinets. Enns says the black ash makes beautiful furniture because of its pronounced grain and lack of warping and cracking.

Currently, most woodworkers in the province use imported hardwood lumber for their projects. MAWP staff hope that through events such as the auction more craftspeople will learn of the availability of locally grown hardwoods and support the emerging woodlot industry in Manitoba. Not only does small scale woodlot management provide income for landowners, it enhances wildlife habitat and helps to diversify the rural Manitoba economy. The future of woodlot management depends on creating a market for habitat-friendly lumber.



The Green Banks Program

Riparian zones are the areas of habitat found alongside lakes, rivers and streams that form the transition between shoreland and upland. These zones, where water and land meet, are the most productive and diverse wildlife habitat found in the prairie region providing all the elements needed for wildlife survival — food, water and shelter. Riparian zones also act as sponges, soaking up water during runoff and floods, filtering sediments and pollutants before they reach the water body. The Manitoba Green Banks Program assists landowners to manage their riparian zones to maintain their natural values, improve farm and use practices and sustain farm incomes. Green Banks activities are supported by Manitoba's Sustainable Development Fund and other partners.



Cows, Creeks and Cottonwoods

Bolstered by a \$100,000 EcoAction 2000 grant received from Environment Canada, MHHC will be able to boost its efforts and expand its programs for riparian zone conservation throughout Manitoba. Riparian zones—the area of habitat adjacent to lakes, rivers and streams—constitute only about two percent of the land base in the agricultural area of Manitoba, but they contain about eighty percent of the biodiversity. Riparian trees, grasses and shrubs have many positive benefits including maintaining water quality by trapping sediments and pollutants before they can enter the water, and reducing erosion by absorbing or slowing up run-off water.

Attracted by the lush vegetation and availability of water, cattle are drawn to riparian areas. This concentration of livestock in the sensitive riparian zone usually leads to severe degradation of the shoreland and can negatively impact water quality.



With support from MHHC, rural landowners have fenced off their riparian areas, installed off-site or restricted access watering systems, and introduced grazing management systems on their entire pasture. In other cases, the stream banks have been restored and stabilized through bio-engineering projects—inserting shrub and tree cuttings directly in the streambank. Environment Canada's assistance will support MHHC activities in all these areas.

"We hope to demonstrate land use practices that not only improve our streambanks and lakeshores for wildlife and for the environment, but also improve the operations for the landowners, their herds, and their income," says Phil Weiss, MHHC field manager.

Zoning in on Conservation

When Irwin and Sandie Bouchard bought and moved on to a section of land in the picturesque Little Saskatchewan River valley, they wanted to develop a truly sustainable grazing system.

Initial discussions with the manager of the Little Saskatchewan River Conservation District led them to Gerald Forsyth, MHHC's area field representative. A series of meetings around the kitchen table resulted in a livestock watering system away from the river and a multi-paddock grazing plan that also excludes cattle from the riparian zone. One access point to the river has been retained to ensure that a traditional horse-trail crossing remains available to the neighbors. The Bouchards are also donating a conservation agreement to protect the river corridor in perpetuity. When completed, this will be MHHC's first agreement covering riparian habitat.

"The Bouchards are true stewards of the land," says Forsyth. "Every step of the way, protection of land, water and wildlife has been a priority."





Going, Going ...Green

"By working together, we can put a good, green sticker on the beef industry," said Laurie Davison, a Solsgirth area cattle producer and Green Banks cooperator, upon receiving the Canadian Cattlemen's Association Environmental Stewardship Award.

The first Manitobans to receive the award, Laurie and Lois Davison operate a cow/calf operation in the Birdtail River valley which has undergone a series of changes over the last five years. Initially, Davison controlled cattle access to his riparian area and restricted watering in the river to a rip-rapped crossing. Cross-fencing on his native pasture enabled Davison to begin using the twice-over grazing management system. Subsequently, he installed watering tanks in each paddock and completely eliminated livestock access and watering from the river.

The twice-over grazing management system is now augmented with specialized tame forage paddocks which provide early and late season grazing. An evaluation of Davison's pasture system by MHHC showed significant environmental improvements and exceptional weight gains in his calves. "Davison's riparian area and his native grasslands are now more lush and diverse, which means cleaner water in the river and more habitat for wildlife," said Roy Bullion, MHHC's Shoal Lake representative. An economic analysis of his enterprise also showed the system contributed positively to his net income.

Davison undertook these changes to improve the bottom line. He says "it has worked out better than I had hoped. Right now I feel I have a 'more-more-more' situation — more grass, more beef and more wildlife."

PROGRAM RESULTS

In the five years since the Green Banks Program was introduced, MHHC, in partnership with landowners, has completed, or has in progress, 61 demonstration projects. Habitat along 79.6 miles, or 1,643 acres, of sensitive stream banks has been restored or enhanced, and grazing practices on 15,562 acres of pasture land have been improved.

There were 14 new projects in 1999/00 comprising 13 miles of riparian habitat. Grazing practices on 3,834 adjacent acres were improved. Landowners have discovered the benefits of providing off-site watering and implementing managed grazing systems in increased cattle weight gains. The Green Banks Program provides the incentive to get the work done resulting in a win-win for landowners and the environment. Over time, Green Banks is winning many landowners over to the old adage that "conservation pays."

PROGRAM FEATURES

Land management practices promoted by the Green Banks Program focus mainly on cattle operations. Landowners are encouraged to fence pasture lands into multiple paddocks and adopt rotational grazing systems. Access to the riparian area is controlled and water systems bring water directly to the cattle. The benefits to the riparian area and the livestock are often apparent within the first year of the project. Increased growth and diversity of vegetation and wildlife in the riparian zone, and cleaner water are noticeable within a very short time. The pasture's carrying capacity can increase because of more vigorous growth. With better forage and water, overall herd health improves and individual cattle weight gain is higher.

Fencing is often all that is needed to improve or enhance a riparian area, but highly degraded or eroded riparian zones need extra help. The MHHC can offer the combined benefits of the Green Banks Program and the Agro Woodlot Program to restore and stabilize river and creek banks and alter land-use practices. With a sound plan, the riparian zone can offer a source of wood for on-farm use in later years and may even support a small woodlot operation. With the variety of programs offered by MHHC, landscape options that benefit both the landowner and wildlife can usually be found.

Changes made to land use practices under the Green Banks Program often affect all on-farm operations and must be carefully planned. Each Green Banks project is a unique cooperative venture that builds upon a landowner's first-hand experience and knowledge of their land. In addition to assistance with project planning, MHHC provides a maximum of \$2,500 in cost-shared funding.

Several partners provided funding support and services in-kind for the Green Banks Program: Manitoba's Sustainable Development Innovations Fund, Manitoba Water Services Board, Manitoba Cattle Producers Association, Manitoba Conservation Districts, and a

variety of local producer groups. Landowner partners contributed at least 25% of the project cost in either cash or in-kind services. The cooperation of these partners means that each year, MHHC adds a few more miles of green to its bank of protected wildlife habitat and cattle producers add a different kind of green to their operation.

COMMUNICATIONS AND EXTENSION

MHHC staff made in-person presentations at 68 meetings and events and used the riparian display to generate new cooperators at the Manitoba Grazing School and Ag Days. To supplement its message, MHHC produced a twice-over grazing instruction guide which has proved to be a highly requested item since its publication. Provision of information was supplemented by delivery of a two-day workshop for livestock producers on twice-over grazing and nine field tours of managed grazing sites.

Media coverage supported the efforts of MHHC with five articles about various Green Banks projects written by staff and published in print media and six articles generated by rural newspapers.

EVALUATION

Data collection was completed in 1999/00 for a prairie-wide grazing evaluation study of livestock producers who have implemented managed grazing systems on rangelands and installed off-site water systems. The preliminary results show positive impacts on herd and grassland productivity. The final report will be published in the coming year.

MHHC participated in ongoing studies of vegetation, bird life and wildlife in a large number of riparian areas in Manitoba. Work is conducted by Agro Woodlot staff in conjunction with Partners in Flight staff.

MHHC + CD = Formula for Success

Expanding delivery of the Green Banks Program without adding administrative costs is the result of partnership agreements between the MHHC and four Conservation Districts (CD) including the Whitemud Watershed CD, Upper Assiniboine CD, West Souris CD, and Pembina Valley CD. These agreements mean that more livestock producers will have access to the Green Banks Program for riparian management projects.

This management of the riparian zone allows the vegetation to grow back, filtering out pollutants and sediment before they hit the water. Not only does the water quality of the stream improve, so do the livestock. According to Dr. Walter Willms, a scientist with Agriculture and Agri-Food Canada, cattle that get their drinking water from off-stream sites gain more weight than cattle with direct access to rivers, sloughs and ponds. Diseases, such as foot rot, also decline which means reduced veterinarian costs.

The agreements signed with the Conservation Districts means an increase in the number of projects completed each year. "You can get more projects done for your money with a partnership agreement," said Gerald Forsyth, a MHHC field representative. And that means more habitat will be protected and more producers will benefit...a formula for success!



Managers Learn to Read

Eighty land use managers participated in a leading edge workshop to learn how to read...the stream. Organized by the Pembina Valley Conservation District (PVCD) and MHHC's Agro-Woodlot Program Staff, the workshop provided instruction on assessing the causes of erosion and developing a plan to restore the streambank using "bio-engineering" techniques. Rock and concrete have traditionally been used to stabilize eroding stream banks. Bio-engineering integrates plant material, such as willow posts, into stream bank restoration and "buys time" while natural stabilizers, grasses, shrubs and trees, get re-established.

World-class instructors, Chris Hoag, a wetland ecologist from Idaho, and Hollis Allen, a plant ecologist with the US Army Corps of Engineers, delivered the workshop which was attended by conservation agency representatives, regulators, contractors, engineers and landowners. According to Cliff Greenfield, manager of the PVCD, it is important that agencies

and individuals receive instruction in how to "Read the Stream" to ensure they understand the root causes of erosion and use bio-engineering techniques effectively.

A second workshop will be offered next year to give hands-on experience with planning and construction techniques. Participants will learn to build vertical willow bundles, bendway weirs and spruce tree revetments. Armed with this knowledge and experience, conservation managers and landowners can begin to work with nature to build a healthier rural landscape.





Other Partnership Initiatives

The Critical Wildlife Habitat Program (CWHP) is a partnership program involving Manitoba Conservation (MC), MHH, and other agencies on a project-specific basis. The CWHP goal is to identify, preserve, and manage remaining critical habitat for native and threatened species of unique, rare, and endangered species, and to develop and implement a suite of management strategies to protect and enhance these habitats.





CRITICAL WILDLIFE HABITAT PROGRAM

Working in the CWHP framework, MHHC continues to sit on the Board of the Manitoba Tall-Grass Prairie Preserve, along with Manitoba Conservation, Manitoba Naturalists Society, World Wildlife Fund Canada, Canadian Wildlife Service, Wildlife Habitat Canada, and the Nature Conservancy of Canada. Management efforts on the 2,200 hectare preserve continued, including mowing fence lines, preparation for fall burns and site maintenance at the interpretative site. Permanent vegetation plots and photo stations were monitored, and efforts were made to locate, sample and map sites of leafy spurge and St. John's wort. A CWHP demonstration project on the effects of controlled grazing on Tall-Grass Prairie was continued in cooperation with Manitoba Agriculture and Food and Stuartburn-Piney Agricultural Development Association.

CWHP efforts in the mixed-grass prairie region include three main project areas: inventory, grazing demonstration, and stewardship. As part of a comprehensive prairie inventory in southwestern Manitoba, 141 sites were inventoried near Carberry with 70 of those being identified as better quality prairie. MHHC and Manitoba Conservation, along with their partners, Manitoba Agriculture, Ducks Unlimited Canada, Prairie Farm Rehabilitation Administration, Canadian

Wildlife Service, Environment Canada (EcoAction 2000) and three Conservation Districts are conducting a mixed-grass prairie grazing demonstration project to illustrate the economic and wildlife benefits of rotational grazing.

The Urban Habitat Stewardship Program works on-the-ground and through information based activities to promote habitat and environmental stewardship in the capital region. MHHC chairs the Urban Habitat Stewardship steering committee which has representation from local, provincial and national conservation organizations and three levels of government. The steering committee completed a feasibility study of a Naturescape product in Manitoba: an educational extension package or "kit" to provide organizations and individuals in Manitoba with specific information to help them enhance their natural areas. A marketing and distribution plan has been prepared for the Naturescape project. A natural resource survey of the Rural Municipality of Rosser was also completed.

This is the fourth year that the Forestry/Wildlife Management Project is part of the CWHP. It continues to undertake studies of forest/wildlife issues as needs arrive. MHHC provides administrative support to this project.



Manitoba Habitat Heritage Corporation Partners:

NORTH AMERICAN WATERFOWL MANAGEMENT PLAN

Agriculture Canada (Prairie Farm Rehabilitation Administration)
Ducks Unlimited Canada
Environment Canada—Canadian Wildlife Service
Manitoba Agriculture and Food
Manitoba Conservation
Delta Waterfowl Foundation
Wildlife Habitat Canada
Keystone Agricultural Producers
Manitoba Conservation Districts

MANITOBA AGRO WOODLOT PROGRAM

Manitoba Conservation
Sustainable Development Innovations Fund
Agriculture Canada
Manitoba Conservation Districts
Local wildlife and farm conservation organizations
Woodlot Association of Manitoba
Manitoba Forestry Association
Manitoba Hydro

GREEN BANKS PROGRAM

Sustainable Development Innovations Fund
Manitoba Conservation Districts
Manitoba Cattle Producers Association
Manitoba Agriculture and Food
Manitoba Conservation
Manitoba Water Services Board
Environment Canada

CRITICAL WILDLIFE HABITAT PROGRAM

Manitoba Conservation
Manitoba Naturalists Society
Nature Conservancy of Canada
Wildlife Habitat Canada
World Wildlife Fund
Environment Canada — Canadian Wildlife Service



Manitoba Habitat Heritage Corporation Offices

FIELD OFFICES:

Killarney	203 South Railway St. E Box 1779 Killarney, MB R0K 1G0 (204) 523-7569
Melita	134 Main Street Box 520 Melita, MB R0M 1L0 (204) 522-8733
Minnedosa	214 Main Street Box 1044 Minnedosa, MB R0J 1E0 (204) 867-5245
Reston	Hwy #2 Box 189 Reston, MB R0M 1X0 (204) 877-3162
Shoal Lake	306 Elm Street Box 28 Shoal Lake, MB R0J 1Z0 (204) 759-2807
Brandon	545 Conservation Drive Brandon, MB R7A 7L8 (204) 729-3501

WINNIPEG OFFICE: 200-1555 St. James Street
Phone: (204) 784-4350
Fax: (204) 784-4359
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PRODUCTION NOTES:

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Please recycle where facilities exist.



The Manitoba Habitat Heritage Corporation



FINANCIAL STATEMENTS 1999/2000

Manitoba 

Responsibility for Financial Reporting



The Manitoba Habitat Heritage Corporation

The management of The Manitoba Habitat Heritage Corporation is responsible for the integrity, objectivity, and reliability of the financial statements, accompanying notes and other financial information in the Annual Report.

Management maintains internal control systems to ensure that transactions are accurately recorded in accordance with established policies and procedures. In management's opinion, the financial statements have been properly prepared and of necessity, include some amounts based upon management's best estimates and judgements up to June 2, 2000.

The responsibility of the Provincial Auditor and staff is to express an independent opinion on whether the financial statements are fairly presented in accordance with generally accepted accounting principles. The auditors' report outlines the scope of the auditors' examination and provides the audit opinion.

Chief Executive Officer

Manager, Financial Services

June 2, 2000



Office of the Provincial Auditor

500 - 330 Portage Avenue
Winnipeg, Manitoba,
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba, and
To the Board of Directors of Manitoba Habitat Heritage Corporation

We have audited the statement of financial position of The Manitoba Habitat Heritage Corporation as at March 31, 2000 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Winnipeg, Manitoba
June 2, 2000

Susan E. Hay, CA
for the Provincial Auditor

THE MANITOBA HABITAT HERITAGE CORPORATION

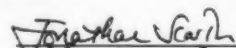
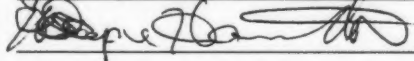
Statement of Financial Position as at March 31, 2000 (with comparative figures for 1999)

	North American Waterfowl Management Plan	Manitoba Agro Woodlot Program	Green Banks Program (Note 10)	Capital Assets	2000	1999
ASSETS						
Current						
Cash	\$64,956	\$94,426	\$30,673		\$190,055	\$109,849
Funds on deposit with Province of Manitoba	237,715		340,074		577,789	472,191
Accounts Receivable						
Government of Canada		13,757	41,800		55,557	7,180
Province of Manitoba	961	5,000	27,538		33,499	291,524
Other	71,684	2,022			73,706	14,934
Due from Manitoba Agro Woodlot Program	5,757				5,757	3,855
Due from Green Banks Program	10,949				19,949	9,332
Prepaid expenses	26,471	592			27,063	28,301
	<u>427,493</u>	<u>115,797</u>	<u>440,085</u>		<u>983,375</u>	<u>937,166</u>
Accounts receivable						25,000
Capital assets (Note 3)				\$1,219,781	1,219,781	1,001,210
					<u>2,203,156</u>	<u>1,963,376</u>
Trust assets (Notes 7a and 7b)					720,370	821,016
	<u>\$427,493</u>	<u>\$115,797</u>	<u>\$440,085</u>	<u>\$1,219,781</u>	<u>\$2,923,526</u>	<u>\$2,784,392</u>
LIABILITIES						
Current						
Accounts payable and accrued liabilities	\$141,617	\$33,713	\$4,000		\$179,330	\$132,380
Due to North American Waterfowl Management Plan	<u>141,617</u>	<u>5,757</u>	<u>19,949</u>		<u>25,706</u>	<u>13,187</u>
		<u>39,470</u>	<u>23,949</u>		<u>205,036</u>	<u>145,567</u>
Deferred contributions (Note 4)	<u>285,876</u>	<u>76,327</u>	<u>416,136</u>		<u>778,339</u>	<u>816,599</u>
Fund balances						
Invested in Capital Assets				\$1,219,781	1,219,781	1,001,210
					<u>2,203,156</u>	<u>1,963,376</u>
Trust liabilities (Notes 7a and 7b)					720,370	821,016
	<u>\$427,493</u>	<u>\$115,797</u>	<u>\$440,085</u>	<u>\$1,219,781</u>	<u>\$2,923,526</u>	<u>\$2,784,392</u>
Commitments (Note 5)						

On behalf of the Board:

Director

Director

THE MANITOBA HABITAT HERITAGE CORPORATION

Statement of Operations and Changes in Fund Balances for the year ended March 31, 2000 (with comparative figures for 1999)

	North American Waterfowl Management Plan	Manitoba Agro Woodlot Program	Green Banks Program	Capital Assets	2000	1999
REVENUE						
Federal Government Contributions	\$235,000	\$22,719	\$41,800		\$299,519	\$267,180
Province of Manitoba Contributions	667,616	308,767	30,276		1,006,659	894,123
Contributed Services, Province of Manitoba	70,294	76,106	12,570		158,970	171,366
Donations	388	—	—		388	1,216
Interest Income	13,748	5,568	16,096		35,412	23,123
Other	170,249	20,299	12,775		203,323	90,438
Management Fees (Note 8)	65,171	632	—		65,803	48,280
	<u>1,222,466</u>	<u>434,091</u>	<u>113,517</u>	<u>—</u>	<u>1,770,074</u>	<u>1,495,726</u>
EXPENSES						
Amortization of Capital Assets				\$34,358	34,358	36,791
Service Delivery — NAWMP	1,113,869				1,113,869	977,868
— MAWP		427,055			427,055	416,184
— Green Banks			113,517		113,517	80,995
	<u>1,113,869</u>	<u>427,055</u>	<u>113,517</u>	<u>34,358</u>	<u>1,688,799</u>	<u>1,511,838</u>
Excess (Deficiency) of Revenue over Expenses	108,597	7,036	—	(34,358)	81,275	(16,112)
Fund Balances, beginning of year	—	—	—	1,001,210	1,001,210	950,222
Donated land (Note 2b)				137,296	137,296	67,100
Interfund Transfers	<u>(108,597)</u>	<u>(7,036)</u>	<u>—</u>	<u>115,633</u>	<u>—</u>	<u>—</u>
Fund Balances, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$1,219,781</u>	<u>\$1,219,781</u>	<u>\$1,001,210</u>

THE MANITOBA HABITAT HERITAGE CORPORATION

Statement of Cash Flows for the year ended March 31, 2000 (with comparative figures for 1999)

	North American Waterfowl Management Plan	Manitoba Agro Woodlot Program	Green Banks Program	Capital Assets	2000	1999
Cash from operating activities						
Excess (deficiency) of revenue over expenses	\$108,597	\$7,036	—	\$(34,358)	\$81,275	\$(16,112)
Amortization of capital assets				34,358	34,358	36,791
Net change in non-cash working capital	(34,593)	48,237	210,420		224,064	(156,075)
Increase (decrease) in deferred contributions	(22,617)	14,633	(30,276)		(38,260)	363,123
Net cash generated through operating activities	<u>\$1,387</u>	<u>69,906</u>	<u>180,144</u>	<u>—</u>	<u>301,437</u>	<u>227,727</u>
Financing and investing activities						
Purchase of capital assets	—	—	—	(115,633)	(115,633)	(20,679)
Interfund Transfers	(108,597)	(7,036)	—	115,633	—	—
Net increase (decrease) in cash	<u>(57,210)</u>	<u>62,870</u>	<u>180,144</u>	<u>—</u>	<u>185,804</u>	<u>207,048</u>
Cash and funds on deposit with Province of Manitoba, beginning of year	<u>359,881</u>	<u>31,556</u>	<u>190,603</u>	<u>—</u>	<u>582,040</u>	<u>374,992</u>
Cash and funds on deposit with Province of Manitoba, end of year	<u>\$302,671</u>	<u>\$94,426</u>	<u>\$370,747</u>	<u>\$ —</u>	<u>\$767,844</u>	<u>\$582,040</u>

THE MANITOBA HABITAT HERITAGE CORPORATION

Notes to Financial Statements March 31, 2000

1. Nature of Organization

The Manitoba Habitat Heritage Corporation (MHHC) was established in 1986 as a Crown Corporation under *The Manitoba Habitat Heritage Act*. The objectives of the Corporation are the conservation, restoration and enhancement of Manitoba fish and wildlife habitat and the associated fish and wildlife populations thereof. Donations to the Corporation are tax deductible by the donor pursuant to *The Income Tax Act*, as gifts to Her Majesty. The Corporation is involved in the following initiatives:

a) The North American Waterfowl Management Plan (NAWMP)

Under Order-in-Council 634/89, the Corporation is authorized to be the Provincial agency responsible for coordinating the delivery of the North American Waterfowl Management Plan in Manitoba. Schedule 1 reports only those monies expended through the accounts of the Corporation for NAWMP.

b) The Manitoba Agro Woodlot Program (MAWP)

On May 7, 1992 the Corporation signed a memorandum of agreement with Manitoba Department of Natural Resources to deliver the Manitoba Agro Woodlot Program in Southwestern Manitoba. Schedule 2 reports only those monies expended through the accounts of the Corporation for MAWP. A management fee is charged by the Corporation for services provided by NAWMP to this program.

c) The Green Banks Program

In January, 1994, the Board of Directors of the Corporation directed staff to develop a strategy to deal with protection, restoration and enhancement of riparian habitat in agro-Manitoba. Schedule 3 reports only those monies expended through the accounts of the Corporation for the Green Banks Program. A management fee is charged by the Corporation for services provided by NAWMP and MAWP to this program.

THE MANITOBA HABITAT HERITAGE CORPORATION

Notes to Financial Statements March 31, 2000

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles. The significant accounting policies are:

a) Revenue Recognition

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred.

The Capital Asset Fund reports the assets and related amortization of the Corporation's capital assets.

Interest income earned on restricted funds' resources is recognized as revenue of the related restricted fund.

Management fees are recognized as revenue in the year the service is provided.

b) Capital Assets

Purchased capital assets are recorded at cost and donated capital assets are recorded at fair value at the date the asset is donated.

Amortization of capital assets is recorded on a straight-line basis over the estimated useful life of the capital asset at the rates indicated below. Amortization expense is recorded in the capital asset fund.

Computer hardware	--	20%
Computer software	--	33%
Equipment	--	10%
Furniture and fixtures	--	10%

c) Contributed Services

Services are contributed by the Wildlife and Forestry Branches of Manitoba Conservation and the Department of Intergovernmental Affairs. Contributed services are recorded at cost which is fair value.

d) Funds on Deposit with Province of Manitoba

Funds on deposit are recorded at cost which approximates market. All funds on deposit have terms of 90 days or less.

THE MANITOBA HABITAT HERITAGE CORPORATION

Notes to Financial Statements March 31, 2000

3. Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2000	1999
Land and Land use rights	\$1,118,580	\$ —	\$1,118,580	\$906,083
Computer hardware	126,693	78,555	48,138	46,438
Computer software	18,469	7,500	10,969	2,516
Equipment	69,155	39,919	29,236	29,876
Furniture & fixtures	55,404	42,546	12,858	6,297
Total capital assets	<u>\$1,388,301</u>	<u>\$168,520</u>	<u>\$1,219,781</u>	<u>\$1,001,210</u>

4. Deferred Contributions

Deferred contributions reported in the respective funds relate to restricted funding received in the current period that is related to expenses of future periods. Changes in the deferred contributions balance reported in the respective funds are as follows:

	NAWMP	MAWP	GREEN BANKS	2000	1999
Beginning balance	\$308,493	\$61,694	\$446,412	\$816,599	\$453,477
Less amount recognized as revenue	(22,617)	—	(30,276)	(52,893)	(50,033)
Add revenue received and deferred	—	14,633	—	14,633	412,155
Ending balance	<u>\$285,876</u>	<u>\$76,327</u>	<u>\$416,136</u>	<u>\$778,339</u>	<u>\$816,599</u>

THE MANITOBA HABITAT HERITAGE CORPORATION

Notes to Financial Statements March 31, 2000

5. Commitments

a) The Corporation leases land for wildlife habitat under NAWMP. Each lease is subject to the condition that sufficient funds are appropriated by the Province of Manitoba. The future minimum lease payments in the aggregate and for each of the five succeeding years are:

2001	\$54,587
2002	27,184
2003	16,094
2004	11,528
2005	9,909
	119,302
Beyond 2005	7,518
Aggregate	
	\$126,820

b) Pursuant to an agreement signed subsequent to year end, the Corporation contributes to the operating costs of two field offices under NAWMP and leases space under an existing lease in one field office also under NAWMP. The Corporation's minimum payment in 2001 is \$29,620.

c) The Corporation leases vehicles and office equipment under NAWMP and MAWP. The future minimum lease payments in the aggregate and for each of the four succeeding years are:

2001	\$19,287
2002	18,490
2003	9,566
2004	534
Aggregate	\$47,877

d) Subsequent to year end the Corporation negotiated a lease for the Winnipeg office for a three year term expiring on March 31, 2003 at an annual base rent of \$16,023 in 2001 and \$24,035 in each of the following two years.

e) At March 31, 2000 the Green Banks Program included several projects in progress. Remaining commitments under these signed agreements total approximately \$41,500.

THE MANITOBA HABITAT HERITAGE CORPORATION

Notes to Financial Statements March 31, 2000

6. Employee Pension Plan

Under the terms of the Corporation's pension plan, employee contributions are matched by the Corporation on a current basis. As a result, there are no unfunded liabilities and no outstanding corporate obligations.

7. Trust Assets/Liabilities

a) The Critical Wildlife Habitat Program (CWHP)

The Corporation is one of seven parties in CWHP. A Steering Committee, consisting of a representative of each party, provides overall program direction.

The Corporation holds title, in trust, to a portfolio of land and provides banking and financial services for CWHP's funds designated to the Corporation including funds of the Manitoba Forestry/Wildlife Management Project (MFWMP). A management fee is charged by the Corporation for the services provided by NAWMP. Disbursements are made at the direction of the Steering Committee. Grants from the Province of Manitoba flow through the Corporation to this program.

Trust assets held by MHHC on behalf of this program include:

	2000	1999
Land portfolio	\$593,280	\$708,676
Cash - CWHP	46,133	39,791
Cash - MFWMP	23,121	22,851
	<u>\$662,534</u>	<u>\$771,318</u>

THE MANITOBA HABITAT HERITAGE CORPORATION

Notes to Financial Statements March 31, 2000

b) Manitoba Model Forest Inc. (MBMF)

On March 31, 1997 the Corporation entered into a one year agreement with MBMF to provide banking and financial services to this program. The agreement was subsequently extended for a further period of two years until March 31, 2000. Disbursements are made at the direction of the General Manager of MBMF. A management fee is charged by the Corporation for the services provided by NAWMP.

Trust assets held by MHHC on behalf of this program include:

	2000	1999
Cash	<u>\$57,836</u>	<u>\$49,698</u>

8. Management Fees

The Corporation charges for services provided by NAWMP and MAWP to other programs as follows:

	2000	1999
NAWMP		
MAWP (\$17,762 + \$1,984)	\$19,746	\$17,460
Green Banks Program	42,501	27,446
CWHP	2,424	2,751
MFWHP	—	123
MBMF	<u>500</u>	<u>500</u>
	<u>\$65,171</u>	<u>\$48,280</u>
MAWP		
Green Banks Program	<u>632</u>	<u>—</u>
	<u>\$65,803</u>	<u>\$48,280</u>

9. Economic Dependence

MHHC is economically dependent on the Province of Manitoba to provide the majority of funding.

THE MANITOBA HABITAT HERITAGE CORPORATION

Notes to Financial Statements March 31, 2000

10. Subsequent Event

Subsequent to year end the Provincial Government requested the return of \$200,000 of Sustainable Development Innovation Fund monies granted to the Green Banks Program in 1998/99. \$25,000 of this amount will be netted against accounts receivable.

11. Public Sector Compensation Disclosure

Pursuant to the disclosure required by the Public Sector Compensation Disclosure Act, the remuneration paid to Board members during the year, in aggregate, totalled \$5,608 (1999 - \$8,448). In addition, one contract employee, T. Sopuck, Communications Manager, received \$54,643 (1999 - \$52,631) in the fiscal year.

**THE MANITOBA HABITAT HERITAGE CORPORATION
NORTH AMERICAN WATERFOWL MANAGEMENT PLAN**

Schedule 1

**Schedule of Expenses for the year ended March 31, 2000 (Note 1a)
(with comparative figures for 1999)**

	2000	1999
EXPENSES		
Habitat activities		
Salaries and benefits	\$325,309	\$268,414
Field office operations	70,529	62,633
Staff support	63,238	81,764
Nest baskets	41,098	39,491
Land leases	76,280	93,325
Flatland dams	—	3,945
Habitat development	25,889	17,768
Taxes	13,693	11,646
	<u>616,036</u>	<u>578,986</u>
Evaluation	<u>60,090</u>	<u>23,000</u>
Communications		
Salaries and benefits	71,258	65,972
Program delivery	45,236	23,161
	<u>116,494</u>	<u>89,133</u>
Program coordination		
Salaries and benefits	177,137	136,116
Rent	42,541	42,349
Office	37,140	37,945
Other	27,258	29,439
Professional fees	15,058	12,019
Board meetings and remuneration	10,598	14,302
Travel	11,517	14,579
	<u>321,249</u>	<u>286,749</u>
TOTAL EXPENSES	<u>\$1,113,869</u>	<u>\$977,868</u>

**THE MANITOBA HABITAT HERITAGE CORPORATION
MANITOBA AGRO WOODLOT PROGRAM**

Schedule 2

**Schedule of Expenses for the year ended March 31, 2000 (Note 1b)
(with comparative figures for 1999)**

	2000	1999
EXPENSES		
Habitat activities		
Salaries and benefits	\$237,226	\$228,979
Incentives	22,432	41,645
Special projects	7,335	—
Travel	52,787	41,106
Office	29,380	29,186
Management fees (Note 8)	17,762	16,192
Rent	15,912	16,310
Other	17,484	17,537
Professional fees	473	3,070
Training workshops	12,423	12,176
	<u>413,214</u>	<u>406,201</u>
Communications		
Management fees (Note 8)	1,984	1,268
Program delivery	11,857	8,715
	<u>13,841</u>	<u>9,983</u>
TOTAL EXPENSES	<u>\$427,055</u>	<u>\$416,184</u>

**THE MANITOBA HABITAT HERITAGE CORPORATION
GREEN BANKS PROGRAM**

Schedule 3

**Schedule of Expenses for the year ended March 31, 2000 (Note 1c)
(with comparative figures for 1999)**

	2000	1999
EXPENSES		
Management fees (Note 8)	\$43,133	\$27,446
Reconnaissance and delivery	12,570	13,456
Managed grazing systems	35,606	17,827
Other	22,208	22,266
TOTAL EXPENSES	<u>\$113,517</u>	<u>\$80,995</u>